

# Fiscal Note

State of Alaska  
2013 Legislative Session

Bill Version: HCS CSSB 23(FIN)  
Fiscal Note Number: 5  
(H) Publish Date: 4/8/13

Identifier: SB023CS(FIN)-DCCED-AIDEA-04-05-13  
Title: AIDEA: LNG PROJECT; DIVIDENDS; FINANCING  
Sponsor: RLS BY REQUEST OF THE GOVERNOR  
Requester: House Finance

Department: Fund Capitalization  
Appropriation: Fund Capitalization  
Allocation: AIDEA Sustainable Energy Transmission and Supply Development Fund  
OMB Component Number: 3036

## Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2014	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2014 Request	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<b>OPERATING EXPENDITURES</b>	<b>FY 2014</b>	<b>FY 2014</b>					
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous		125,000.0					
<b>Total Operating</b>	<b>0.0</b>	<b>125,000.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Fund Source (Operating Only)

1213 AHCC		125,000.0					
<b>Total</b>	<b>0.0</b>	<b>125,000.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Positions

Full-time							
Part-time							
Temporary							

<b>Change in Revenues</b>							
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Estimated SUPPLEMENTAL (FY2013) cost: 0.0

Estimated CAPITAL (FY2014) cost: 50,000.0

## ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes  
If yes, by what date are the regulations to be adopted, amended or repealed? 12/01/13

## Why this fiscal note differs from previous version:

This fiscal note is updated to reflect the changes made by House Finance to version R to include both the Interior Energy Plan and Direct Financing.

Prepared By:	Ted Leonard, Executive Director	Phone:	(907)771-3000
Division:	Alaska Industrial Development and Export Authority	Date:	04/05/2013 06:30 PM
Approved By:	JoEllen Hanrahan, Director	Date:	04/05/13
	Administrative Services Division		

FISCAL NOTE ANALYSIS #5

STATE OF ALASKA  
2013 LEGISLATIVE SESSION

BILL NO. HCS CSSB 23(FIN)

Analysis

**INTERIOR ENERGY PLAN**

This bill provides AIDEA financing in support of the Energy Plan. Specifically, SB 23 authorizes AIDEA to provide up to \$275 million in financing for a natural gas liquefaction plant and affiliated infrastructure on the North Slope, as well as providing for the financing of liquid natural gas (LNG) distribution systems under the sustainable energy transmission and supply fund (SETS) established under AIDEA.

This financing authorized under this bill includes: 1) authorization for AIDEA to provide financing through the issuance of up to \$150 million in bonds for the project, with the bonds to be secured by a capital reserve fund and 2) authorization for AIDEA to provide direct financing of \$125 million out of the money provided through the amended operating budget for the SETS fund. To help ensure lower energy rates for Alaskans are achieved, the bill limits the interest rates that AIDEA can charge for direct SETS financing at 3%.

The entire \$355 million financing plan for the Interior Energy plan includes: \$50 million appropriation to AIDEA (provided in the capital budget), \$125 million from SETS direct financing (provided in the amended operating budget), \$150 million in bond proceeds from bond authorization provided in this legislation, and \$30 million in natural gas storage credits (provided in previously passed legislation.)